

March 11, 1963

Medical and dental expenses—Con.

Insurance:

Mass 65.....	\$27.00
Washington National.....	26.00
Old American.....	7.50
Conn. General.....	34.50
NRTA Insurance.....	96.00
Blue Cross and Blue Shield.....	66.36

Total insurance..... 257.36

Total medical, dental and insurance premiums..... 385.86

Enter 3 percent (age 76).....

Total allowable medical..... 938.76

Other deductions:

NRTA dues.....	1.00
Hampden County Retired Teachers Association dues.....	1.00

Total..... 2.00

Total deductions..... 1,697.31

Did you file a return last year?
Answer, Yes.

I declare under penalties of perjury that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

(Signed) ISABEL M. KAGWIN,
Taxpayer.

SCHEDULE B—SUPPLEMENTAL
SCHEDULE OF
INCOME AND CREDITS
Interest income

1. Name of payer:

Peoples Savings Bank \$14.86, \$38.68, \$81.94.....	\$135.48
Holyoke Savings Bank \$42, \$37.06, \$32.72.....	70.20

2. Total, enter here and on line 5b, page 1..... 205.68

Pension and annuity income

1. Investment in contract..... 3,400.20

2. Expected return..... 10,200.00

3. Percentage of income to be excluded (line 1 divided by line 2) 33.3 percent.

4. Amount received this year..... 600.00

5. Amount excludable..... 199.80

6. Taxable portion..... 400.20

1. Investment in contract..... 1,608.00

2. Expected return..... 3,393.00

3. Percentage of income excluded, 47.4 percent.

(Figure by New York Mutual)

4. Amount received this year..... 199.56

5. Amount excludable..... \$94.59

6. Taxable portion..... 104.97

1. Cost of annuity..... 6,925.09

2. Cost received tax-free in past years..... 6,925.09

4. Amount received this year..... 4,350.12

5. Taxable portion..... 4,350.12

Total income..... 4,855.29

Total income..... 5,080.97

Retirement income credit

Question. Did you receive earned income in excess of \$600 in each of any 10 calendar years before the taxable year 1962? Answer, Yes.

1. Retirement income for taxable year..... \$5,080.97

2. Maximum amount of retirement income for credit computation..... 1,524.00

5. Balance (line 2 minus line 4)..... 1,524.00

6. Line 5 or line 1, whichever is smaller..... 1,524.00

7. Tentative credit (20% of line 6)..... 304.80

8. Total tentative credit..... 304.80

Limitation on Retirement Income Credit

9. Amount of tax shown on line 12, page 1..... 436.00

11. Subtract line 10 from line 9..... 436.00

12. Credit. Enter here and on line 15(d), form 1040, the amount on line 8 or line 11, whichever is smaller..... 304.80

GOVERNMENT PUBLICATIONS FOR SALE

Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington 25, D.C., at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized bookdealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by bookdealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U.S. Code, title 44, sec. 72a, Supp. 2).

PRINTING OF CONGRESSIONAL RECORD EXTRACTS

It shall be lawful for the Public Printer to print and deliver upon the order of any Senator, Representative, or Delegate, extracts from the CONGRESSIONAL RECORD, the person ordering the same paying the cost thereof (U.S. Code, title 44, sec. 185, p. 1942).

CONGRESSIONAL DIRECTORY

The Public Printer, under the direction of the Joint Committee on Printing, may print for sale, at a price sufficient to reimburse the expenses of such printing, the current Congressional Directory. No sale shall be made on credit (U.S. Code, title 44, sec. 150, p. 1939).

CHANGE OF RESIDENCE

Senators, Representatives, and Delegates who have changed their residences will please give information thereof to the Government Printing Office, that their addresses may be correctly given in the Record.

RECORD OFFICE AT THE CAPITOL

An office for the CONGRESSIONAL RECORD, with Mr. Raymond F. Noyes in charge, is located in room H-112, House wing, where orders will be received for subscriptions to the Record at \$1.50 per month or for single copies at 1 cent for eight pages (minimum charge of 3 cents). Also, orders from Members of Congress to purchase reprints from the Record should be processed through this office.

LAWS RELATIVE TO THE PRINTING OF DOCUMENTS

Either House may order the printing of a document not already provided for by law, but only when the same shall be accompanied by an estimate from the Public Printer as to the probable cost thereof. Any executive department, bureau, board or independent office of the Government submitting reports or documents in response to inquiries from Congress shall submit therewith an estimate of the probable cost of printing the usual number. Nothing in this section relating to estimates shall apply to reports or documents not exceeding 50 pages (U.S. Code, title 44, sec. 140, p. 1938).

Resolutions for printing extra copies, when presented to either House, shall be referred immediately to the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate, who, in making their report, shall give the probable cost of the proposed printing upon the estimate of the Public Printer, and no extra copies shall be printed before such committee has reported (U.S. Code, title 44, sec. 133, p. 1937).

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CONGRESSIONAL RECORD — APPENDIX

A1315

October, thoughtful people are more concerned about truth in news. Their right to truthful news is in jeopardy because the news manipulators have grown more confident as the result of their recent successes."

The Communist daily Hoy says Cuba's 1963 sugar harvest is off to a poor start. The mills are not getting enough cane to grind, a Hoy reporter complained.

The report, covering the central Province of Camaguey, said crop work at the Patria o Muerte (fatherland or death) mill Thursday, the start of the season, was below last year's level. It said the mill would have to close Monday or Tuesday unless it got more cane.

January 12, 1963: 89 Cuban-Americans, including elderly people and children clutching toys, arrived here today on a freedom flight from Havana (Miami Herald).

January 13, 1963: A controversial agricultural survey proposed for Cuba has been temporarily postponed by the United Nations Special Fund. * * *

The decision not to act now on the Cuban project avoided a fight threatened by the United States, which puts up 40 percent of the Special Fund's resources.

Senator KENNETH B. KEATING, Republican, of New York, contended yesterday that Fidel Castro is "10 times better equipped" militarily now than he was last spring.

He said Castro "has 144 missile launchers, 24 bases, and 500 antiaircraft missiles, some of them the most modern in existence, and 20,000 troops."

KEATING made the comments on a program taped for New York television stations.

January 14, 1963: In his state of the Union message to Congress, President Kennedy said that while danger continues, a deadly threat has been removed from Cuba.

While we shall never weary in the defense of freedom, neither shall we ever abandon the pursuit of peace.

In this quest, the United Nations requires our full and continued support. Its value in serving the cause of peace has been shown anew in its role in the West New Guinea settlement, in its use as a forum for the Cuban crisis, and in its task of unification in the Congo.

A Case Against Certain Reforms in the Proposed Tax Laws

EXTENSION OF REMARKS OF

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1963

Mr. CONTE. Mr. Speaker, I received recently a fascinating letter and individual income tax breakdown from a distinguished retired teacher in Holyoke, Mass.

This fine lady, who is 76 years old, has an income from various sources in the neighborhood of \$5,000. As her letter indicates, she maintains a house, claims two exemptions and has heavy medical expenses.

She makes an excellent case against certain of the reforms in the proposed tax laws. She demonstrates the hardships that would follow.

I think that her breakdown, an exact copy of her 1962 return, should open a few eyes in this House. Here is a lady who would be seriously harmed by some of the tax reform provisions.

Reform, as it has been applied through history, implies progress. If a person over 65 cannot claim two exemptions, cannot itemize deductions, does not have a retirement income credit and so on, we are not progressing, Mr. Speaker, but advancing backward.

More importantly, Mr. Speaker, this individual case indicates that we are going to have to examine every facet of the tax programs before coming to any final decisions.

With your permission, I would like to include a copy of the letter and breakdown in the RECORD.

The articles follow:

A CASE AGAINST CERTAIN REFORMS IN THE PROPOSED TAX LAWS

HOLYOKE, MASS.,

February 19, 1963.

Representative SYLVIO CONTE,
Washington, D.C.

MY DEAR MR. CONTE: Possibly you may be interested in seeing what the proposed tax reform would do to me.

My income, which varies but a very few dollars from year to year, was in 1962 \$5,060.97. I am 76 years old, have to keep up a house, claim two exemptions (being over 65) and itemize my deductions and have a retirement income credit. My medical expenses are heavy and I carry much insurance because of my small savings.

If under the new tax reform a person over 65 cannot claim two exemptions, cannot itemize deductions, does not have a retirement income credit but is allowed to take only \$300 from the income tax, my tax would impose a real hardship.

It seems to me that the new tax reform imposes hardships on the group of older retired persons.

I talked with a man at the Internal Revenue bureau here in Holyoke. He said they could make no suggestions to Washington but that I could write to Senator SALTONSTALL and to you.

I am enclosing a copy of my 1962 tax.

Thank you for sending me your reports or perhaps I should say your letters.

People in Holyoke seem much pleased with you.

Sincerely yours,

ISABEL M. KAGWIN.

COPY OF PERTINENT INFORMATION OF U.S. INDIVIDUAL INCOME TAX RETURN FOR 1962

Following is the pertinent information from form 1040—U.S. individual income tax return, 1962, for Isabel M. Kagwin, 483 Beech St., Holyoke, Mass., social security No. 033346175, retired teacher:

INCOME

Wages, salaries, tips, etc.	-----
Federal income tax withheld.	-----
5b. Interest (schedule B or other list)	\$250.68
5c. Rents, royalties, pensions, etc. (schedule B)	4,855.29
9. Total (add lines 4 through 8)	5,060.97

TAX RATE SCHEDULE

11a. Itemized deductions, total from page 2	1,697.31
11b. Subtract line 11a from line 9	3,363.66
11c. Total exemptions from page 2 here (2), multiply by \$600	1,200.00
11d. Subtract line 11c from line 11b	2,163.66
12. Tax, \$400 plus \$36.0052	436.00
13. Self-employment tax	-----
14. Total (add lines 12 and 13)	436.00

PAYMENTS AND CREDITS

15b. Payments and credits on 1962 declaration of estimated tax	\$240.00
15d. Retirement income credit	304.80
15g. Total	544.80

TAX DUE OR REFUND

17. Overpayment	108.80
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ITEMIZED DEDUCTIONS

Contributions:	
March of Dimes	1.00
Bay State Society for Crippled Children	1.00
Mount Holyoke College	5.00
Church	20.00
Salvation Army	5.00
UNICEF	1.00
Total paid	33.00

Interest expense:

Peoples Savings Bank:	
Apr. 16, 1962	50.00
June 20, 1962	50.00
Sept. 21, 1962	50.00
Dec. 26, 1962	50.00

Total interest	200.00
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Taxes:

Real estate taxes	455.70
State income taxes	14.75
State and local sales taxes	53.10
Gas tax	17.76
Registry of motor vehicles	6.00
Excise tax	16.50
Cigarette tax	12.84

Total taxes	523.55
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Medical and dental expense:

Drugs:

Chester's Drug Store (Jan. 3, \$25.95; Feb. 3, \$18.73; Mar. 2, \$19.29; Apr. 3, \$28.08; May 2, \$25.14; June 2, \$42.23; July 5, \$31.18; Aug. 4, \$21.69; Sept. 4, \$27.92; Oct. 2, \$32.67; Nov. 2, \$26.75; Dec. 3, \$41.64)	341.27
NRTA and AARP Drug Buying Service Washington (Jan. 5, \$12.03; Feb. 1, \$24.14; Mar. 4, \$19.30; Apr. 5, \$10.96; May 2, \$26.12; May 14, \$9.14; May 26, \$12.36; June 21, \$16.33; July 20, \$14.03; Aug. 11, \$23.05; Sept. 7, \$6.58; Sept. 15, \$25.19; Oct. 8, \$5.78; Oct. 26, \$11.27; Nov. 26, \$23.30; Dec. 8, \$11.58; Dec. 26, \$11.07)	262.23

Total drugs	603.50
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Enter 1 percent of gross income	50.60
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Total drug deduction	552.90
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Doctors and dentist:

Louis A. Rigali, D.D.S. (Mar. 19, \$4.00; Apr. 20, \$8.00; July 30, \$10.00; Sept. 14, \$3.00; Oct. 16, \$8.00; Oct. 20, \$5.00; Nov. 8, \$8.00)	46.00
Herbert R. Toombs, M.D., Apr. 12, 1962	15.00
Bernard J. Niemolo, M.D. (Apr. 17, \$10.00; Apr. 24, \$10.00)	20.00
Philip H. Clarke, M.D. (June 2, \$10.00; Oct. 5, \$5.00; Nov. 5, \$5.00; Dec. 6, \$11.00)	31.00
Holyoke Hospital, Apr. 13	16.50

Total	128.50
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sort has nothing in common with the policy of peaceful coexistence of the socialist countries."

January 4, 1963:

A split within the Cuban invasion brigade broke into the open today with charges by one of its members that the liberated prisoners were being used as political fodder.

The charges revealed for the first time that 100 prisoners boycotted President Kennedy's Orange Bowl appearance on December 29.

Enrique Llaca, Jr., one of the invaders recently released from Castro's prisons, singled out Manuel Artime, civilian commander of Brigade 2506, and Joe Miro Cardona, head of the exile Cuban Revolutionary Council, for criticism.

"They are using the brigade for their personal benefit," declared Llaca, 27-year-old former Cuban attorney. Both Artime and Miro Cardona denied it.

Llaca attacked President Kennedy's Orange Bowl visit to meet the brigade members as politically motivated.

January 6, 1963: Time magazine today listed the U.S. companies that contributed to the \$53 million ransom paid to Premier Fidel Castro for the 1,113 Cuban invasion prisoners.

The list, including pledges, accounts for most of the \$53 million ransom although in some cases only the value of goods already shipped rather than the company's full commitment, is known.

The United States and the Soviet Union asked the United Nations today to close the book on the Cuban controversy.

The two powers made their request in a terse, joint letter sent to U.N. Secretary General U Thant and signed by U.S. Ambassador Adlai E. Stevenson and Vassily V. Kuznetsov, the Soviet First Deputy Foreign Minister.

Today's message made no effort to conceal the deadlock in American-Soviet negotiations. But it hailed the fact that war had been avoided and expressed hope other tensions might be eased.

Stevenson and Kuznetsov suggested that the Cuban item be wiped off the Security Council agenda "in view of the degree of understanding reached" and "the extent of progress in the implementation of this understanding."

The statement ended on a note of hope:

"The Governments of the United States and of the Soviet Union express the hope that the actions taken to avert the threat of war in connection with this crisis will lead toward the adjustment of other differences between them and the general easing of tensions that could cause a further threat of war."

Carlos M. Lechuga, Cuban Ambassador to the U.N., delivered Cuba's objections in another letter 2 hours earlier.

The Cuban objections were summarized in one paragraph:

"As you know, Mr. Secretary General, the negotiations carried on with your generous intervention have not led to an effective agreement capable of guaranteeing, in a permanent way, the peace of the Caribbean and in liquidating the existing tensions."

Lechuga repeated the Cuban attacks on American "aggressive and interventionist policy."

January 7, 1963: The Cuban Government today announced a record 2 billion peso budget for 1963. About 10 percent of it—213.7 million pesos—was earmarked for "national defense and public order."

American business made a substantial contribution to Fidel Castro's last minute demand for \$2.9 million in cash to assure uninterrupted return of the Cuban invasion prisoners.

A check of 25 of the Nation's largest companies indicated today that individual contributions to the special cash fund raised

by Gen. Lucius D. Clay ranged from \$10,000 to \$150,000 and more.

Castro claimed the \$2.9 million was owed him for the release of 60 prisoners in April. Of the total, \$1 million was pledged by an unknown donor solicited by Attorney General Robert F. Kennedy.

The cash fund was separate from the \$53 million in drugs and food pledged to Castro.

The Kennedy administration set up special machinery yesterday to handle future policy toward Cuba.

Sterling J. Cottrell, a veteran Foreign Service officer who formerly headed a task force on the Vietnam question, was named coordinator of Government activities dealing with Cuba. He was given the title of Senior Deputy Assistant Secretary of State for Inter-American Affairs.

As part of its economic squeeze on Cuban Premier Fidel Castro, the United States will demand that the United Nations cancel a project to help build a \$3 million agricultural experimental station in Cuba.

U.S. sources said today that Ambassador Adlai E. Stevenson has been instructed to fight right down the line to halt previously approved plans under which the U.N. Special Fund would grant more than \$1 million for the project. The United States, which contributes 40 percent of the money spent by the Special Fund, voted against the grant on the grounds that the project could not be carried out because of the large number of Cuban agricultural technicians fleeing the country. U.S. sources said this situation was even more complicated now because of Soviet technicians in Cuba.

Under the plan approved in 1961, the Special Fund would allocate something over \$1.1 million to the Food and Agricultural Organization (FAO) to finance the U.N. part of the project over a 5-year period. Cuba would put up \$1.8 million.

The United States argues that Castro is neglecting the economic and social development of the country to concentrate on political problems and has, therefore, forfeited any right to U.N. aid.

January 8, 1963: Cuba was pictured as a land plagued by growing food shortages "where tightening of the vest is now a normal way of life."

This view of the Cuban food situation was contained in a U.S. Foreign Agriculture Service report that said the Premier Fidel Castro regime has just about wrecked the island's agriculture in 4 years.

The report described the food situation there as the poorest in years and added that it may get worse this year. Farm production, it reported, has fallen off 20 percent since Castro took over.

January 8, 1963:

United Nations Ambassador Adlai Stevenson said today the United States has opposed from the beginning a plan to send Cuba \$1.2 million in U.N. funds for an agricultural project.

But if the U.N. governing board approves the plan there isn't much that can be done about it, Stevenson said.

Of the \$1.2 million, \$480,000 probably would come from U.S. taxpayers.

January 9, 1963: President Kennedy talked for an hour yesterday with Vassily Vasilevich Kuznetsov, First Deputy Foreign Minister of the Soviet Union. They discussed the settlement of the Cuba crisis and took a look at disarmament and Berlin as problems that remain to be solved. The conversations, it was said, were held in a very cordial atmosphere.

January 10, 1963:

After a 2-day delay, 100 American citizens will leave for the United States Sunday on the return flight of an airliner carrying ransom supplies to Havana, a Swiss diplomat reported today.

The diplomat had no word on whether a score of Americans held in Cuban jails would

follow. Thousands of Cuban relatives of the freed Bay of Pigs invasion prisoners also are anxious to leave.

Between 500 and 700 Soviet troops left Cuba during the last day or so aboard the Russian passenger ship *Baltika*, it was reported here yesterday.

Several thousand other Soviet forces are reported to have left Cuba since the end of the October missile crisis. But U.S. officials believe some 16,000 to 17,000 remain in Cuba. About 6,000 of these are known to be organized in combat units.

The reports were made as official sources said the United States is expected soon to ask the Organization of American States to consider almost total isolation of Cuba.

January 11, 1963:

Cuba trade perils aid, U.S. warns.

The United States has served notice on countries whose ships go to Cuba that they risk losing American aid.

State Department press officer Joseph W. Reap disclosed yesterday that the warnings have been conveyed in line with the new foreign aid law. Congress last October attached a proviso that aid shall be cut off to countries whose ships carry goods to Cuba.

January 11, 1963:

Secretary of State Dean Rusk advised the Senate Foreign Relations Committee that even the possibility of a U.S. no-invasion pledge on Cuba no longer exists.

The administration has made clear repeatedly that President Kennedy's offer of such a pledge was conditioned on on-site inspection to verify removal of Soviet missiles and bombers from the Communist-ruled island. It has been apparent for weeks that there would be no such inspection even though negotiations to that end were not concluded until this week.

Rusk appeared before the committee yesterday, and after the closed session Chairman J. WILLIAM FULBRIGHT, Democrat, of Arkansas, told reporters the Secretary covered the point like this:

"Any commitment was contingent on the exchange of letters (between Mr. Kennedy and Soviet Premier Nikita S. Khrushchev) which required on-site inspection as well as the removal of missiles and other offensive weapons."

"In view of the failure to get the inspection, the commitment no longer exists."

FULBRIGHT said Rusk assured the committee that U.S. intelligence is convinced all offensive weapons of nuclear capability have been removed from Cuba.

Cuba and East Germany will establish diplomatic relations at the ambassadorial level, the Government press reported today.

The Government newspaper *El Mundo* said the decision to elevate the present East German-Cuban trade mission to embassies "was due to the close and friendly present relations between our two nations and will contribute to formalize and consolidate even more the bonds of friendship between our peoples."

A newspaper editor charged today that the Kennedy administration, by "manipulating" news as a cold war weapon, is imperiling the American people's right to full and accurate information on how public affairs are being handled.

The charge was made by John H. Colburn, managing editor of the *Richmond Times Dispatch*, in a speech before the Arizona Newspapers Association.

The editor said the American press must shoulder much of the blame for controlled news from Government because it has too often "been complacent about its responsibility to zealously seek out the truth."

"The press today could do much more to inform the public about the open and insidious efforts to keep the truth from the public," he said.

"As the result of the furor over news manipulation during the Cuban crisis last

a mere political philosophy or type of ideology is involved in the struggle between Communist and free nations of the world for the minds of men.

The beginning of the year 1963 brought disheartening reports to the American people. Instead of victory, we found containment. Instead of a relaxing of tension we found increased tension; following publication of reports that on the island of Cuba there remained, in addition to the thousands of Soviet troops described in part 10, 500 Russian antiaircraft missiles, 144 missile launchers, 24 bases at different spots on the island, 60 surface-to-surface short-range missiles, over 100 Mig jet fighters, some 3,000 antiaircraft guns, mortars, field artillery pieces, and assault guns, 350 medium and heavy tanks, 34 subchasers, and missile and motor torpedo boats, as well as 70 helicopters.

We were threatened once again by the Soviet Union with war if we made any attempts to stage provocations around Cuba. Castro displayed ground-to-air missiles during his fourth anniversary celebration in Cuba. Our President was called a vulgar pirate chief by the acknowledged pirate of all pirates. The ransom paid by American citizens and businessmen for the Bay of Pigs invasion prisoners was thrown back into our faces—not literally, but verbally—by Castro. And again the Communists—this time the Chinese Communists—proved themselves past masters at twisting facts by virtuously announcing that they strongly opposed—the sacrifice of another country's sovereignty as a means of reaching a compromise with imperialism. They accused the Soviets of 100-percent appeasement, a Munich pure and simple in withdrawing missiles from Cuba.

By this time the American people were not at all sure that our triumph was anything of the sort. Instead it began to appear what Khrushchev himself termed it, a triumph of the Soviets, in that while some 40 missiles may have been removed, the island of Cuba had been successfully turned into a bristling arsenal, and any Cubans remaining who might wish to throw off the yoke of Castro's communism would find themselves in the same predicament as the Hungarians who tried to throw off communism in Hungary.

Although on January 6 both the United States and the Soviet Union requested the United Nations to close the book on the Cuban controversy. It did not seem possible to do this. Some of the Cuban exiles even accused President Kennedy of being politically motivated in his Orange Bowl appearance on December 29 of last year. And the Cuban Government set aside 10 percent—213.7 million pesos—of its record 2 billion peso budget for 1963 for national defense and public order. While Cuba was planning to defend the Castro regime against its own unhappy citizens, our American citizens were once again digging down into their jeans to raise from \$10,000 to \$15,000 to pay the ransom still being demanded by Castro for uninterrupted return of Cuban invasion prisoners. And an unknown donor was rumored to have been urged

successfully by Attorney General Kennedy to donate \$1 million for this cause.

We then found ourselves in the peculiar position of being maneuvered at the same time into helping build a \$30 million agricultural experiment station in Cuba, through the United Nations voluntary Special Fund, 40 percent which was provided by the United States. This project, approved in 1961, would allocate something over \$1.1 million to the Food and Agricultural Organization of the United Nations for a 5-year project in Cuba. Cuba was to put up \$1.8 million, and the uneasy suspicion began to spread that not only were we to provide 40 percent of the aforesaid fund, but our ransom money would provide the other \$1.8 million as well. The collective blood pressure of thousands of Americans began to rise, along with the number of protesting letters to congressional offices about the Cuban agricultural deal.

As in most Soviet-bloc countries, it became apparent that for some reason communism and agricultural abundance had nothing in common. Adlai Stevenson admitted that although the United States opposed this agricultural aid to Cuba, there was apparently nothing we could do about it and of the \$1.2 million, the U.S. taxpayers probably would find themselves paying \$480,000. However, the United Nations later postponed, although temporarily—the controversial agricultural survey project for Cuba, much to the relief of the congressional Members who had been hearing some pretty strenuous objection from the American people.

Senator KEATING, known now as the man who was right last fall about Cuba, contended that Castro was now 10 times better equipped militarily than he was last spring and stated that 20,000 troops were in Cuba, along with 144 missile launchers, 24 bases, and some 500 antiaircraft missiles.

President Kennedy stated that while a danger continued, a deadly threat has been removed from Cuba. He praised the United Nations for its value in serving the cause of peace for its use as a forum in the Cuban crisis and for its task of unification in the Congo—none of which seemed to convince a goodly segment of the American people.

A chronology follows:

A SELECTED CHRONOLOGY ON CUBA¹ (Jan. 2, 1963 to Jan. 31, 1963)

January 2, 1963:

An article by David Kraslow in the Miami Herald stated that "Cuba has 500 Russian antiaircraft missiles and 144 missile launchers at 24 bases ringling the island.

"The list is current and is based on what the U.S. Government believes to be solid intelligence.

"Other items include over 60 surface-to-surface short-range missiles; over 100 Mig jet fighters; some 3,000 antiaircraft guns, mortars, field artillery pieces, and assault guns; 350 medium and heavy tanks; 34 subchasers and missile and motor torpedo boats, and 70 helicopters."

January 2, 1963:

The Soviet Union's leading theorist, Mikhail Suslov, pledged today that his country

¹ Unless otherwise stated excerpted from the Washington Post and the Washington Star; reproduced with the permission of the Washington Post and Washington Star.

would "actively resist any attempts to stage provocations around Cuba," Tass news agency reported.

Communist Party Secretary Suslov told a Moscow audience that "the forces of peace and socialism must vigilantly watch over the scrupulous observance by the United States of its commitment not to attack Cuba and to restrain its allies from doing so."

January 2, 1963:

The ground-to-air missile, not generally known to have been in Castro's possession, came into view at the tail end of an hour-long display of military hardware, part of the celebration of the bearded Prime Minister's fourth anniversary of power.

In a 90-minute anniversary speech, Castro referred briefly to the missiles, saying that "today, the first ground-to-air rocket artillery crews in training have paraded past here."

He said the rockets would be used to keep Cuban airspace free of intruders.

Castro assailed President Kennedy as a "vulgar pirate chief," and claimed he forced Washington to pay indemnity for the release of Bay of Pigs invasion prisoners who were liberated for \$53 million worth of food and drugs sorely needed by the Cuban regime.

"They call it ransom, but the fact is that they had to accept the payment of indemnifications. For the first time in its history, imperialism paid an indemnification of war."

Castro repeated his demand that the United States get out of its Guantanamo Bay Naval Base at the eastern tip of Cuba, but he did not intimate that any other than legal means would be employed to oust the United States.

The Prime Minister also repeated that Cuba would never accept inspection on its soil to verify the removal of land-based offensive Soviet missiles, as the United States has demanded. He made no criticism of Moscow for the withdrawal of the missiles and jet bombers, but stressed Cuba's sovereignty.

January 2, 1963:

An editorial in the Peking People's Daily stated that "Those who accuse China of opposing peaceful coexistence also attack the Chinese people for supporting the just stand of the Cuban people in their struggle against U.S. imperialism. When the heroic Cuban people and their revolutionary leader Premier Fidel Castro resolutely rejected international inspection as an infringement on Cuba's sovereignty and advanced their five just demands, the Chinese people held gigantic mass demonstrations and parades throughout the country in accordance with their consistent stand for proletarian internationalism, and firmly support the Cuban people's struggle in defense of their independence, sovereignty, and dignity.

"How can one possibly interpret the resolute support which the Chinese people gave to the Cuban people in their struggle against international inspection and in defense of their sovereignty as meaning that China was opposed to peaceful coexistence or wanted to plunge others into a thermonuclear war? On more than one occasion we have made it clear that we neither called for the establishment of missile bases in Cuba nor obstructed the withdrawal of the so-called offensive weapons from Cuba. We have never considered that it was a Marxist-Leninist attitude to brandish nuclear weapons as a way of settling international disputes. Nor have we ever considered that the avoidance of a thermonuclear war in the Caribbean crisis was a 'Munich.' What we did strongly oppose, still strongly oppose, and will strongly oppose in the future is the sacrifice of another country's sovereignty as a means of reaching a compromise with imperialism. A compromise of this sort can only be regarded as 100 percent appeasement, a 'Munich' pure and simple. A compromise of this

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from year to year; they would benefit especially from the averaging provision.

Cost of research and development machinery and equipment to be treated as current expense deduction: Present law requires capitalization of such assets, although other business expenses for R. & D. may now be deducted as incurred. The proposed law would allow a company to treat as a current expense deduction all expenditures for machinery and equipment used directly in research and development.

Special provisions are included in the proposal to meet the needs of some small businesses with moderate R. & D. budgets that would not otherwise qualify for the current expense treatment. For larger enterprises claiming the R. & D. deduction, equipment used only part-time for research and development purposes, or used in the performance of a Federal contract, would not qualify. Under the special provisions for small business, any expenditures for equipment used directly for research and development could be expensed in an amount up to 4 percent of \$500,000 of total expenditures for research and development. For purposes of the special small business provision, equipment used only part-time but at least 50 percent of the time for research and development would qualify to the extent of 50 percent of its cost. Moreover, research and development equipment not used exclusively in the performance of a Federal contract would qualify. The maximum deduction under this small business provision would be limited to \$20,000 annually.

The proposed changes in the tax treatment of capital gains will also directly and indirectly aid small firms. The capital gains changes include:

Rate reduction: Under the program, 30 percent of long-term capital gains of individuals, instead of the present 50 percent, is includible in taxable income. Combined with the individual tax reductions this means that capital gains would be taxed at an effective rate of 4.2 percent, instead of the present 10 percent, in the lowest bracket and progress to a maximum of 19.5 percent, instead of the present 25 percent. In addition, the corporate rate on capital gains would be reduced from 25 to 22 percent.

These reductions should increase investment in small companies as investments which are now retained solely for tax reasons become "unlocked" and as the overall tax program increases the prospects for profitable investment in small business.

Extension of the holding period: The holding period for long-term capital gains would be increased from the present 6 months to 1 year. Small business investments typically require several years to mature. This change would limit long-term capital gains to bona fide investors, rather than short-term speculators and would encourage investors to devote more funds to investment in small firms.

Taxation of capital gains at time of death or gift: Under the program, net gains on capital assets would be taxed at the time of transfer at death or by gift. This change would increase the mobility of capital by reducing the tax inducement to hold assets until death.

Since the principal estate asset of a small businessman is often his business, special provisions have been included to insure that estates will not be forced to liquidate a small business to pay a capital gains tax. The first \$15,000 of gain would be excluded from tax as would the gain on any property transferred to a surviving spouse, up to a maximum of one-half the gain in the estate. These exclusions are expected completely to eliminate payment of capital gains tax upon death for all but 3 percent of those who die each year. For those who would become sub-

ject to some tax, a 5-year averaging provision would reduce the effective rate of tax on the gain and the tax could be paid in installments over a period of 10 years. Redemption of stock in the company to pay the capital gains tax would be allowed without additional tax.

Unlimited capital loss carryover: The present 5-year limitation on carryover of capital losses against capital gains and up to \$1,000 of ordinary income would be eliminated. The change would especially help the small investor who may not have the portfolio diversity that would make it feasible to match capital gains and losses in only 5 years. The extension of time would mean greater opportunities to offset losses, with a tax saving, for those who make substantial investments in small business, and thus increase the supply of risk capital for such enterprises. Moreover, the unlimited capital loss carryover should encourage risk investment generally, which would benefit small business.

Just as small business stands to gain in a special way from tax reforms which encourage economic growth, it stands to lose more heavily from inaction on the tax front, which would increase the chances of an early recession or continued slack in the economy. Small business lacks the resources available to larger companies to withstand an economic downturn. Therefore, the mortality rate among small firms in a recession would be heavy. The President's 1963 tax program will make a major contribution toward providing an environment that will foster the vigorous growth of the small business sector as part of a strong and expanding economy.

Classroom Teachers Medals Awarded

EXTENSION OF REMARKS

OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1963

Mr. BURKE. Mr. Speaker, Freedoms Foundation at Valley Forge, Pa., has singularly honored Hyde Park High School, Boston, Mass., in awarding classroom teachers medals to two of the school's staff. Miss Marie E. A'Hearn was presented with the medal for her work during the school year 1961-62, and Dr. William J. Reid, head of the history department, received his award for 1960-61.

Miss A'Hearn teaches the principles of democracy course at Hyde Park High School. She conducts her classes on the theory that participation is the key to both knowledge and citizenship. Her classes learn about democracy in practice as well as in theory. When issues of a national scope are considered, the class invites its Congressman, Hon. JAMES A. BURKE, to speak to them. On State issues the representatives to the general court are asked to come and talk. On local issues, a member of the city council discusses city matters with them.

These sessions are not the usual high school assembly talks. These are working sessions. The class invites the speaker and suggests the topics to be discussed. The guest presents his talk and then is subjected to a barrage of questions. The result is some increase in

knowledge, some enlightenment on the issues and, most important, increased respect by the students for our public office holders.

Arrangements for these visits are made by the students. They choose the moderator, secretary, photographer, class hostess, and all who have anything to do with the program. The students develop questions and topics and decide who should be invited.

No student passes a principles of democracy course unless he has actually worked in a political campaign. Some students who are most reluctant to participate in practical politics become some candidate's most enthusiastic workers. Concerned about the failure of more women to participate in politics, the class contacted various persons in public life, including all the ladies in the U.S. House of Representatives and the Senate, to find out why this was so. The class secretaries summarized and mimeographed the results. The pupils then discussed the issue on a Boston radio program. Under the strong guidance of Miss A'Hearn, Hyde Park students are learning that democratic government depends on effective participation.

Dr. Reid's contribution lies in a somewhat different area. The Boston public schools began teaching about the menace of communism, as well as fascism and nazism, in 1939. In 1941, the Boston schools published one of the first documents about the isms used in any school system. After the war the program was expanded.

Concerned about the fact that too many youngsters leave high school before graduation and may become easy prey to the glib teachings of others, the Boston schools, in 1954, began development of a program to increase patriotism and knowledge of our democratic republican government in grade nine. This program was instituted on an experimental basis. A committee under Dr. Reid's leadership, developed material that would help pupils to understand our government on the local, State, and national levels. It also produced a curriculum guide for the ninth grade, that would make our American boys and girls aware of the menace of communism. As the preliminary projects proved successful, the program was extended to include every ninth grade student in the Boston school system. In his position as coordinator of civic education for the Boston public schools, Dr. Reid is responsible for the effectiveness and growth of the program.

At special assemblies of the student body and the faculty, Mr. Charles J. Keelon, headmaster of Hyde Park High School, congratulated the recipients on the honor they had brought to the school by their contributions to furthering our American ideals. Assistant Superintendent of Schools Frank J. Herlihy, on behalf of the Freedoms Foundation, presented the Classroom Teachers Medal to Dr. Reid on Flag Day, 1961, and Deputy Superintendent William H. Ohrenberger awarded Miss A'Hearn her medal on October 10, 1962.

Washington Report

EXTENSION OF REMARKS

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1963

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following newsletter of March 9, 1963.

WASHINGTON REPORT

(By Congressman Bruce Alger)

NEW FRONTIER PROGRAMS IGNORE TECHNOLOGY

President Kennedy completely ignores technology in the social and welfare programs he is trying to impose on the country and therefore fails to understand they cannot work. In a major speech on the floor of the House this week I pointed out that in the programs he has submitted to Congress, the President seems to be acting on impulse rather than on any sound technical basis. I focused attention on the welfare part of the New Frontier program, which, in spite of suggestions to the contrary, is being expanded at a faster rate than most other segments of the budget, including national defense. The justification for this expansion is political rather than logical or reasonable. The New Frontier is trying to capitalize on a formula developed by the New Deal—a formula that reads (1) Many persons are in need, (2) The Nation has resources with which to meet the need, (3) The Federal Government should use the resources to meet the need.

It is my contention that points 1 and 2 do not justify the conclusion implied by point 3. Technologically, no standards or criteria can be developed by which to administer Federal social welfare programs to produce the results which the administration promises when it proposes Federal financial involvement. The only reasonable way to measure the effectiveness of public services is to measure them only in terms of results achieved. In my speech I outlined where desired or promised results have fallen far short in such programs as urban renewal, area redevelopment, advancing civilian technology, and in studies in connection with Federal aid to education. In order to get some idea of the complexity of trying to impose Federal participation in the social and welfare fields, try to write a formula for Federal aid which will work and which will come within the framework of the Constitution.

EXPERT WITNESSES QUESTION PRESIDENT'S TAX PROPOSALS

Some of the best tax minds in the Nation appeared before the Ways and Means Committee this week. The development of their testimony clearly indicates the fallacies of President Kennedy's tax proposals. The first such witness was Roswell Magill who, 25 years ago, was Under Secretary of the Treasury in Franklin Roosevelt's Cabinet. Mr. Magill's statement substantiated my own challenge to the President's tax program. He said: "President Kennedy's tax program is contradictory to its announced objectives in four basic ways. First, the investment capital incentive is penalized because consumer purchasing power is overly stressed; second, the structural reforms defeat rate cuts; third, the timing is bad, there being no immediate stimulus as intended; fourth, the budget is further imbalanced through lack of expenditure control."

CONSTRUCTIVE RECOMMENDATIONS

Mr. Magill listed a constructive program, sensible as I see it. (1) Lower individual

income tax to 50 percent for highest bracket and 16 percent in the lowest bracket; (2) Let Korean taxes expire—corporate tax drop from 52 percent to 47 percent; (3) Study structural reforms separately; (4) Lower Federal spending, balance the budget.

G. Keith Funston, president of the New York Stock Exchange, under my cross examination developed these constructive recommendations: (1) Eliminate double taxation; (2) Eliminate capital gains tax, and redefine capital gains; (3) Relate Federal spending to income—balance the budget. These recommendations are much more likely to prevent recession, of which the President warns, than the President's recommendations.

ECONOMICS PROFESSOR HITS PROGRAM

William H. Peterson, associate professor of economics, Graduate School of Business Administration of New York University, was more blunt. He said: "In this statement I seek to make but three points: First, to demonstrate the nonscientific and anti-economic growth deficiencies of rate progression in general. Second, to show how the President's tax proposals reflect these deficiencies and are hence self-defeating of their stated goal of economic growth. And thirdly, to give support to maximum correction at this time of the deficiencies of graduation." Professor Peterson pointed out again that the President's program is self-defeating. The steepness in individual income tax rate progression, especially when linked to the proposed 5 percent rule on itemized deductions affords virtually no tax relief to the middle and little to the upper brackets. The professor said he regards the middle and upper brackets as prime sources of America's capital formation and hence of economic growth. An amazing figure in this testimony showed that tax rate progression beyond 50 percent of taxable income yields the Treasury only about \$1 billion (out of a \$98 billion budget) or about enough to run the Government for 4 days. So the excessive rate is not designed to raise revenue, but to penalize and, in effect, stifles initiative or, in Professor Peterson's words, "Incentive is the thing. It accounts for enterprise and ingenuity. It is the secret of American prosperity."

REDISTRIBUTION OF INCOME HURTS OUR SYSTEM

The theory of the social planners around President Kennedy upon whose judgement his tax proposals are based, would have us believe our free economy can best be developed by a redistribution of income (the theory of equalization). But redistribution assumes a standard of distributive justice different from the standards of our market economy. "It assumes," Peterson said, "that the market knows least and Government knows best." He then reminds us, "This democratic market system, this incentive system, is precisely the means by which we have become the richest and freest people in all the world."

The only way we can insure the health of the economy is to insure the rate of capital formation—that is, in the rate of investment. This is the theory of the Alger-Baker-Herlong bill. A number of witnesses, including Professor Peterson, believe this bill is the only fiscally feasible and responsible alternative to our present income tax structure. It stresses investment, whereas the Administration stresses current consumption. In sharp contrast to the Administration's program, it would reform the present steep schedule of rate graduation while, over a longer period of time, provide substantially as much tax relief as the Administration at the lower income tax levels. Capital formation is clearly the road to growth. There is no other way. Without capital, there will be no goods for consumers to purchase.

OVERCAPACITY RESULT OF INEFFICIENCY

The administration planners stress the overcapacity of American industry. Professor Peterson points out the administration's stress on overcapacity misses the point. The real point is not simply overcapacity, but the nature and causes of excess capacity. A careful study of all the factors shows that basically, overcapacity is a matter of inefficiency. The principal criticism of the President's proposals, brought out by many witnesses in their direct testimony and in my discussion with them under cross-examination, is the lack of confidence and knowledge of our system displayed by the President, his continued efforts to downgrade the United States. Unfortunately, the results are the President's statements of problems and legislative solutions that downgrade the system and successes of the United States.

A fine representation of Dallas and Texas was made to the site subcommittee of the Republican National Committee in an effort to get the 1964 Republican Convention in our city. The Chamber of Commerce would have been proud of the quality of the presentation. John Leedom, Peter O'Donnell, Mrs. Ike Kampmann, Harry Bass, Al Fay, Senator Tower, and Ed Foreman created a remarkable impression on the committee. All Dallas is proud of this effort to bring a meeting to our community which will result in \$5 to \$6 million in revenue. This presentation was in the true spirit of Dallas that our people can accomplish any job, no matter how tough or how big. It is this spirit that built our city.

Let's Keep the Record Straight—A
Selected Chronology on Castro and
Cuba, January 2 to January 14, 1963—
Part 12

EXTENSION OF REMARKS

OF

HON. DON L. SHORT

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1963

Mr. SHORT. Mr. Speaker, my last remarks on "Cuba in 1933" appeared in the February 21 Record and served as a sequel to the previous chronologies parts 1 through 10. The "Cuba in 1933" speech was to serve as part 11, preceding today's part 12. Part 11 was a kind of flashback in history and I hope a pointed reminder that our problem with the Communists in Cuba did not originate—as many seemed to feel—with the overthrow by Fidel Castro of the Batista regime in Cuba. Instead, it could be traced back to the time when the Communists failed in their efforts to subvert Germany and cast around for a more profitable base of operations from which to spread their deadly doctrine of dialectical materialism, or as some term it materialism opposed to idealism or state opposed to God. Never has there been a more materialistic doctrine preached than that of communism and never a more idealistic doctrine preached—if admittedly not always practiced to the letter by individual believers—than the Sermon on the Mount. In comparing that inspired writing with the hate motif of the Communist materialism, it is clear that something far deeper than